

*Ben Williams*

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Suite 3  
Jackson, MS 39201*

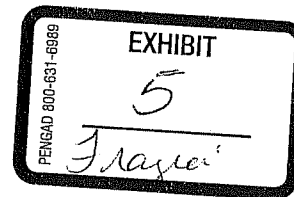
## LETTER OF INTENT

As of April 26, 2005

**Frazier Development, LLC**  
H. Claiborne Frazier, Manager  
P.O. Box 2039  
Ridgeland, Mississippi 39158

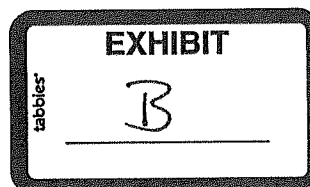
**Hines-Phillips Properties, LLC**  
P.O. Box 3216  
Ridgeland, Mississippi 39158

**E. R. Hines, Jr.**  
P. O. Box 3216  
Ridgeland, Mississippi 39158



**RE: Madison Market Phase I, II & III**


- 1) Frazier Development, LLC will enter into an agreement with Hines-Phillips Properties, LLC to allow Hines-Phillips Properties, LLC to purchase interest in Madison Market I, LLC and Madison Market II, LLC. The purchase is being made using IRC Section 1031 money for the sale of property. Frazier Development, LLC will transfer its interest in the above referenced LLC's via an assumption warranty deed. This transfer will be done to satisfy the exchange. The transfer is based on a \$185,000.00 cash injection. Phase I interest is 6.8%, Phase II interest is 13.6%. Should the cash infusion move upward or downward the percentage interest will be reflected commensurately. (\$192,000)
- 2) E. R. Hines, Jr. will receive 3.68% interest in Phase I and 7.35% interest in Phase II. This is based on a cash infusion of \$100,000.00 via an ownership transfer document.
- 3) Frazier Development, LLC will forgo its return on Phase I & II until such time as the property is substantially leased. This will enable Frazier Development, LLC to distribute a 9% annual return. The return will be distributed within thirty (30) days.

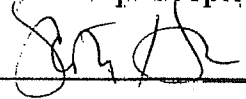


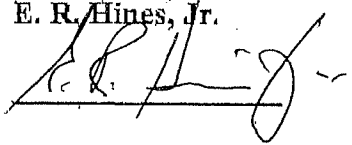
The parties agree to use their best efforts in finalizing these terms.

Frazier Development, LLC

Hines-Phillips Properties, LLC E. R. Hines, Jr.







By: Claiborne Frazier, Mgr.

By: Scott Hines

By: E. R. Hines, Jr.

4-26-05  
Date

4-26-05  
Date

4-26-05  
Date